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ABSTRACT

Organizational differences among universities in Switzerland were identified through study of budgeting, professor appointment, and planning. University or state authorities intervening in the decisionmaking process are classified in four groups corresponding to four levels of organizational authority. Universities are subdivided into three groups according to the kind of authority involved in the different steps of the budgeting procedure. Activity undertaken for the appointment of professors is relatively concentrated at the sectorial level. The main differences among universities in the appointment of professors concern the degree of formalization of the decision structure and the existence and intensity of control by central and state authority. Several cases in different systems were studied to determine the impact of the different management systems on teaching and research activities. A case study is presented concerning a public college science professor's actions to create a laboratory for recrienting his research. The most important means the academic entrepreneur uses to achieve his goals in university affairs are described. The institutional entrepreneurs take initiatives favoring university interests and reputation and defend it against public authorities. Although entrepreneurial activity at the institutional level contributed largely in some universities to the development of a teaching and research policy, it seems insufficient. Case studies showed that the formal organizational systems are not able to control and orient entrepreneurial activity if they do not have a pre-established policy. (SW)

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ACADEMIC ENTREPRENEURS IN UNIVERSITY DECISION MAKING

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1. INTRODUCTION

There are in Switzerland ten institutions of university level: 7 multi-faculty universities, one School of Economic and Social Studies (SESS) and two Institutes of Technology (FIT). The universities and the SESS depend on state governments (Cantons) while the FIT depend directly on the federal government. There are no private institutions at that level. In the following, I use the term of "University" for all these Institutions.

Universities are divided into departments and sections or into faculties; faculties are divided into one-professor chairs.

For historical, linguistic, organizational etc. reasons each university has its particular administrative procedures. In order to identify the organizational differences among the universities I studied three procedures:

- budgeting
- professor appointment
- planning.

Information was collected on laws, reglementations and any kind of documents as well as by interviews of university and state authorities. We used only formal information and the described procedures were the formal ones. "Formal" means here what is founded on laws, reglementations or tradition.

2. FORMAL PROCEDURES

University or state authorities intervening in the decision making process are classified here in four groups, corresponding to four levels of organizational authority. This classification puts some order to the wide diversity of terms. The groups are:

- sectorial authorities manage a subdivision of the university (faculties, deans, institute directors, faculty committees).
- central authorities are responsible for the whole institution (rectorate, president, general assembly, central administration),
- intermediary authorities are composed of eminent personalities external to the institutions and of academics; they report to the state on questions of general university policy,
- state authorities, that is public administration and political institutions.

2.1. BUDGET

First, let us see how budget is prepared, consolidated and voted. Budgeting procedures can be subdivided in the following steps:

- request of funds by the sectorial authorities,
- progressive preparation of the budget-project, subdivided to
  . consolidation of the demands, bargaining, adapting and reshaping (internal to the institution) and
  . proposal of a budget-project,
- final adoption of the budget by state authorities and parliament.

According to the kind of authority involved in the different steps of the procedure, we subdivided the Swiss universities into three groups:

- professional institutions (FIT, SESS), in which the budget is prepared and consolidated by central authorities, but proposed to political authorities by an intermediary institution. Four levels of authority participate actively in the decision making.
- French speaking universities, in which central administration consolidates the budget and proposes it to the state. Three levels (sectorial, central, state) intervene in the process.
- German speaking universities, in which central authorities participate indirectly in the budget process; consolidation is operated by public administration. Three levels (sectorial, intermediary, state) are active.

2.2. APPOINTMENT OF PROFESSORS

Activity undertaken for the appointment of professors is relatively concentrated at the sectorial level. Faculties have in the great majority of cases the initiative of the appointment and make the decision. Central and state authorities control the procedure and nominate the professor.
One can distinguish four steps in the appointment procedure:

- proposition,
- selection, subdivided into setting up the decision making structure and examinating the candidatures,
- controls and approvals of the choice,
- nomination.

The main differences among universities occur in the second and third steps, according to

- the degree of formalization of the decision structure and
- the existence and intensity of control by central and state authorities.

The question which now arises is "what is the impact of the different management systems on teaching and research activities?"

Research is concerned to a higher degree withthis question because it drains more and more public resources.

To give an answer to this question, I studied several real cases in different systems. I choose one of these cases to present in the following section which could have taken place, with small variations, in any of these systems.

3. ENTREPRENEURSHIP IN UNIVERSITIES

3.1. A CASE STUDY

In the faculty of science of a medium size public Swiss university, assistant Lumiere had been nominated professor in a vacant chair. Three months later the

university administration started the annual budget procedure. Professor Lumiere seized the opportunity to realize his old plans: create the laboratory he needed for reorienting his research to new and promissing directions.

He demanded from the administration a sum of 440'000.-SFrs. to be used to purchase several scientific instruments and their accessories. The demand included a detailed list of the instruments and their respective commercial prices, but no indication was given as to their future use in research projects or in teaching. Professor Licht, an old professor nearing retirement, also supported the fund demand, by co-signing it.

The demands are sent officially to the faculty secretariat, which consolidates them and submits them to different controlling faculty commissions, i.e. the general assembly (in which participate academics and students), the restricted committee (composed of several professors), the financial commission and the commission for instrument purchasing (both of recent creation and composed only of professors). The financial commission examines every year the faculty budget and reports to the restricted committee. The commission for instrument purchasing co-ordinates the acquisitions of research equipment by the members of the faculty.

Professor Lumiere, aware of the financial restrictions imposed by the Canton (State) and the fact that his financial demand accounted for 20% of the total equipment budget of the faculty, intensified his contacts with colleagues, mainly with those who were members of the financial commission and the restricted committee. He explained the importance for his institute of the instruments to be purchased and asserted that an independent foundation had agreed to offer the necessary offices and rooms for the expanded laboratory.

After considering all the demands put forward by the professors, the financial commission decided that the professor Lumiere should be granted only 230'000.-SFrs. to purchase new equipment. The modified faculty budget was subsequently adopted by other commissions at the faculty and the university levels and by the state.

Although the fund granted did not allow professor Lumiere to buy all the instruments he wanted, he was able however to start purchasing some of them. The following year he presented a new request for 305'000.- SFrs. This consisted of the 210'000.- SFrs. that were not granted the previous year, plus an allowance for the increased total project cost estimated by a private consulting firm and consultation cost.

The professor renewed the contacts with his colleagues and defended his project in a session of the general assembly with the argument that part of the fund was already granted. The assembly approved the idea and the fund request was incorporated in the faculty budget by the financial commission.

Some weeks later the foundation which was negociating with the public administration for the donation of offices and laboratories to the university informed the Education Department and professor Lumiere that the transfer of rooms to his institute was not yet definitely decided. The Department then asked the dean of the faculty if it would not be wiser to delay professor Lumière's fund granting until the following year, while waiting for a definite decision from the foundation. The dean asked the professor to reply to the Department. The professor argued that the decision had to be taken quickly because research teams needed the new apparatus urgently and delivery time in the market was very long indeed.

The funds were granted as requested and the foundation decided afterwards in favour of Lumiere's laboratories.

"Who has the initiative" is a very important question in strategic planning and policy making. The above case gives evidence that the initiative by Swiss universities lies on some professors, who dispose of a particular behaviour in the management process, and influence punctually the development of the university. The initiator of a proposal operates in multiple ways and, using means put at his disposal by the university system attains a high effectiveness.

We call this type of behaviour "entrepreneurial" and the professor who develops it an "entrepreneur". It is obvious that our academic entrepreneur, although having a very similar activity to that of business entrepreneur, differs considerably in that:

- he takes no direct financial risk,
- he is a part of a production function which is completely different to those of industrial entreprises or public administrations.

The characteristics of business entrepreneurs have been described by McClelland (1961), Wainer & Rubin (1969), Du Brin (1972), Pettigrew (1973), Newman & al. (1961) and others. In the following section, I shall describe the most important means the academic entrepreneur uses to achieve his goals in the university affairs. Observations result from the case studies and need to be controlled by a hypothetical testing research method.

3.2. THE ACADEMIC ENTREPRENEUR
PERSONAL REPUTATION AND SOCIAL RELATIONS.

In the cases studied, evaluation authorities tend to be more meticulous with professorial propositions when the initiators have no personal reputation or are not well known. Blau (1973) supports that the influence of individual faculty members increases with the general academic standing.

Besides, social relations are extremely useful, not only for collecting scientific information, but also for knowing the attitude of the public authorities on university problems. This attitude is not always openly known, because it is not publicly presented for political reasons or because sometimes such an attitude simply does not exist.

Not only information networks in state agencies are important but also networks of social relations among scientists. Dykes (1968) underlines their importance in American universities. Most of the academics are in fact members of private or professional associations or collaborate in committees searching solutions to social problems.

OFFICIAL SCIENTIFIC ASSOCIATIONS.

A professor can be strongly supported by his colleagues of other universities and of scientific foundations to influence administrative authorities' decisions. A distinction between organizations for regional or national scientific coordination and learned societies is necessary, because the first are much more active in funding than the latter. The importance of these organizations is illustrated in the case of a professor's nomination in an institute while the rectorate was reexamining the opportunity of the institute's abolishment. The regional scientific interuniversity committee, in which the main candidate was a member, determined in great part the final decision.

Membership in such associations reinforces disciplinary entrepreneurs' innovativeness. It can also increase the tendency to create new institutes of departments (Blau, 1973). Knowles (1970) supports that these associations influence teaching programs through professional legislations and Hickman (1970) pretends that their importance in the USA reflects partially the weaknesses of the existing structure for the representation of academics.

INTERNAL INFORMAL GROUPS OF INFLUENCE.

The professors of one university, or most often of one faculty, form cliques which support entrepreneurs. These cliques - small closed groups of individuals sharing common ideas - can be occasional, established for a limited period in order to defend common interests, or permanent ones. It seems that the occasional type is more common at the university level and the permanent one at the faculty level.

The existence of cliques is a phenomenon common to all organizations (AMA, 1970). In university milieu it is related to the dispersion of power, the existence of an indeterminate number of leaders, often motivated only by research activities (Blau, 1973).

AD HOC COMMISSIONS.

Formal representation of cliques is frequently realized through the membership in short-lived commissions (Burns & Stalker, 1966) created for the

study of particular problems. They are an instrument of pressure on permanent authorities inside and outside the university. Thus, professors of two faculties interested in the purchase of a new scientific instrument formed a coalition, and on the initiative of the most active among them, created an ad hoc commission to study the problem of funding the project. Faculty approval for commission creation is very easy to obtain, maybe because nobody wants to oppose the principle of the study of a problem. Nevertheless, the members of such commissions are usually chosen by the initiators of the new idea in a way that commissions will be considered as representative of the faculty interests but will not create internal conflicts.

ARGUMENTS AND CRITERIA INTRODUCED INTO THE DECISION MAKING.

The kind of arguments used in the promotion of an initiative by professors reflect on one side the specificity of university's mission and on the other side the particularity of its organization. As Perkins (1973) puts it, university's reglementations define goals so vacuously that academics have no guidelines for their action. Entrepreneurs feel free to interprete legal texts according to their own ideas.

In the case of the purchase of a new research instrument the entrepreneur argued in his report to the faculty and to the rectorate that the acquisition was imposed because"... without citing the American universities, where the use of this instrument is very expanded, many national universities have bought this instrument...our university is late once again... the purchase of such an instrument could be of interest to many members of the faculty and will be useful for teaching - taken in its large meaning...".

We notice here the interdependance of research and teaching at the post graduate level, the absence of arguments founded on precise research projects, the importance of the number of academics supporting the initiative. There is a tendency to consider that the scientific value of a proposition is proportional to the number of its supporters. Comparisons with well known and better equiped universities are put forward but are not connected to any scientific development policy of the university.

In the case of a nomination the faculty committee adopted a decision criteria list and a public announcement of the vacancy. Among these criteria one finds the teaching experience, the quality of scientific work, the specialization of the candidate, the search for the "best qualified". However, the final decision was made on the grounds of the character of one of the candidates. The president of the committee considered that the nominee could easily collaborate with the established academics. Some of the criteria have been ignored in order to make this choice.

Generally there is in Swiss universities a tendency for search of personalities. The initiatives for the creation of new institutes are most often based on the existence of an available personality willing to take the direction of the institute.

The advancement of teaching and research is also an argument which is evoked in a vague way. The "personality" will in fact have to define the content of this advancement.

Public authorities feel most frequently incompetent to make evaluations on academic matters and leave the use of this criterion to the academics.

In their financial and administrative activities entrepreneurs defend what they have already taken for granted. Thus, in the case of the creation of a new institute, encroaching on the fields of an old one, the initiative was directed in such a way that the unit was added to the old structure without any further changes. The defense of what is taken for granted is very commonin the budget process.

Arguments of financial nature are seldom explicitely used by the entrepreneurs. Furthermore, the easier it is to obtain funds, the bigger is the number of innovative propositions and the lower the influence of control authorities on university development.

DIVERSIFICATION OF FINANCIAL SOURCES.

The entrepreneur - professor who can not obtain all the funds he needs from one source - the state -, diversifies his sources to special research foundations (Deniozos & al., 1976). This seems easier to attain in a period of economic expansion than in a period of strigency.

In a business firm, diversification is one of the most important management principles (AMA, 1970) which protects its organizational independence. In university, the application of this principle is supposed to increase the autonomy of researchers (Brickman, 1973) through the "freedom to refuse".

Some control authorities at the university or at the state level, allocate more easily new funds to professors who have an important extra-university funding.

PENETRATION IN ADMINISTRATIVE POSITIONS.

Finally we mention the occupation of administrative posts by professors as a means for the promotion of their initiatives. The opportunity to have frequent contacts with public authorities and central university administration seems to be the main reason of success.

The high turnover of professors in these posts in the majority of universities gives the possibility to a great number of professors to promote in turn the interests of their disciplines.

3.3. THE INSTITUTIONAL ENTREPRENEUR

The centrifugal forces created by academic entrepreneurs are partly countervailed by another type of professor-entrepreneur which appeared in most Swiss universities in the sixties. For this new type, the focus of activity is the institution itself and not the scientific discipline. I call it "Institutional entrepreneur".

Institutional entrepreneurs operate usually in rector or dean offices or in permanent commissions. They take initiatives favoring university interests and reputation, and defend it against public authorities. These initiatives may have an impact on university organization and development by increasing its internal cohesion and lead to structural innovations. Such professors have prevously been disciplinary entrepreneurs, and some of them return to their discipline.

Integrative action of the rectors can be reinforced under several conditions. The first is endogenous to the university and derives from the vacuously defined functions of the rectors. Application of by-laws and internal regulations depends less on their formalized content than on the personality of the individuals assuming rectors' responsabilities. The lack of involvement of the majority of professors in administrative affairs, although a hindrance to development, enlarges the institutional entrepreneur's field of action.

The second condition, and doubtlessly the most important, is exogenous. That is strigent conditions imposed for obtaining public finance and social pressure for accountability. Public authorities have played in this way an important role in creating new planning and coordinating agencies or in reinforcing existing ones.

Although entrepreneurial activity at the institutional level contributed largely in some universities to the development of a teaching and research policy, it seems insufficient to meet society's requirements. Case studies showed that the formal organizational systems are not able to control and orient entrepreneurial activity if they have not a pre-established policy. All systems described (section 2) aim to control ex post facto the financial activities of professors, leaving them full initiative in directing the development of research and partly of teaching.

The lack of a teaching and research policy has now been well identified and the creation of appropriate organizations for developing and applying such a policy is under consideration by federal and state authorities. Let us note that, until recently, this lack did not hinder the Swiss science to be one of the most effective in the world.

4. THE FEDERAL LAW ON FUNDING AND THE ATTITUDE OF ACADEMICS

As it has already been said, eight out of ten universities are under jurisdiction of state governments. These governments have until now been more keen to find new resources to finance their university or to cut down expenditure, than to develop a policy for a rational use of the resources. Liberal tradition, preponderance of the academic freedom, small size of the states seem to be some of the system's independent variables.

Economic strigency led nevertheless most state politicians and academics to ask for an increase of the federal participation in financing higher education. Federal government replied favorably and indicated its conditions.

They consisted of:

- a coordination of the activities of teaching and research in a way that double uses would be eliminated and important economies realized.
- a reinforcement of the federal agency elaborating the science policy.
- an ex post facto control of the university accounts.
- the introduction of a medium range planning procedure with common characteristics to all universities.

Coordination and planning are entrusted to:

- an interstate commission composed mainly by politicians, responsible for Departments of Education in university managing states,
- an inter-university commission, reporting to the previous one, composed of representatives of the planning authorities in each university.

All these ideas were developed in a project of the new law on the "aid to higher education and research", which is now under examination from all concerned parties. Planning is a relatively new concept; few institutions have some pratical experience of it. Geneva university, which established its first 4-year plan in 1969, can be considered as the most advanced on that matter. Academics, as in the Geneva case, several years ago showed little interest in the institutionalization of inter-university coordination through

planning. One can argue that planning has little relevance to professors' activities, especially to research. This hypothesis is not confirmed by the Geneva experiment: planning was irrelevent as far as it was an abstract exercise of policy formulation and quantitative forecasting. Academics felt concerned when the budget procedure became part of the planning process, and annual resource allocationswere founded to pre-established criteria of a research and teaching policy. In the future, we must expect that entrepreneurial activity will be oriented towards the influence of the choice of these criteria, while direct resource allocation will become a secondary operation.

* * * * *

Annexe

Public expenditure for education and for research in 1975: 7'784 mio SFrs. (20,4% of the total public expenditure).

The total annual increase of expenditure for education and research between 1950 and 1975 was 46% against an increase of 35% of the total public expenditure -

The public expenditure for universities in 1975 was 1'485 mio SFrs. The participation of the federal government in public expenditures for universities varies between 44% (in the wealthiest state) and 8% (in the weaker state).

About 30% of the total expenditure for universities goes to research activities.

The number of students increased between 1965 and 1975 at an annual rate of about 6%. There was in 1975 51'000 students in Switzerland in a population of about 6 millions inhabitants.

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